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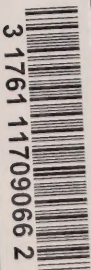
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Ensuring Fair Customs and Revenue Administration in Canada

A Discussion Paper on Progress and
an Invitation to Comment

March 1998





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Ensuring Fair Customs and Revenue Administration in Canada

A Discussion Paper on Progress and
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Table of Contents

	Page
Foreword by the Minister of National Revenue	5
Introduction	6
Part 1 – Our commitment to fairness.....	8
Part 2 – Fairness in action: A model to build on	
Commitment 1 – Rights and obligations	9
Commitment 2 – Administrative processes	12
Commitment 3 – Response to concerns	16
Commitment 4 – Redress process	19
Commitment 5 – Relief	23
Part 3 – Working together to strengthen fairness	26



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Foreword by the Minister of National Revenue

As Minister of National Revenue, I am responsible for administering a wide range of laws, regulations, treaties, and agreements. These govern collecting and distributing revenue through the tax system, as well as regulating people and goods crossing Canada's borders.

In 1996-1997, Revenue Canada collected more than \$175 billion in revenues from 22 million individuals and corporations for the federal and provincial governments. The Department issued almost 70 million payments for the Child Tax Benefit, goods and services tax credit, and provincial benefits, which helped more than 12 million Canadians. At the border, the Department served almost 110 million travellers and processed about \$250 billion in trade for 158,000 importers.

With this responsibility comes the need for accountability. Canadians expect their customs and revenue administration to be professional, responsive, open, and efficient. Above all, people must perceive the system as fair.

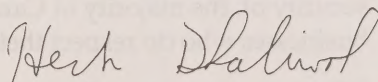
The most important measure of how Revenue Canada performs is obtained through the views of the people it serves—Canadians who pay taxes, receive benefits through the tax system, cross Canada's borders, and engage in international trade. In order to fulfil their obligations, Canadians must believe that Revenue Canada is treating them fairly.

I have issued this discussion paper to tell you about the measures in place to keep Canada's customs and revenue administration fair, and I am seeking your comments and suggestions on how Revenue Canada can enhance this objective.

The time is right to measure Revenue Canada's progress and chart its next steps, particularly with the current proposal to create the Canada Customs and Revenue Agency. We will all want to ensure that the new agency is built on a strong foundation of fair policies and practices.

You will note in Part 3 of this document that Revenue Canada has planned several consultative activities to get the views of many Canadians. In the meantime, the Department welcomes your comments.

I know that by working together we can make sure that our customs and revenue administration is fair to all.



Herb Dhaliwal, P.C., M.P.
Minister of National Revenue

Introduction

In 1996-1997, we served:

- 158,000 importers
- 110 million travellers
- 21.3 million taxfilers
- 1.1 million corporations
- 2.3 million GST registrants
- 1.3 million employers
- 75,000 charities
- 21,000 pension and other deferred-plan administrators

At Revenue Canada, we administer more than 185 acts of Parliament, regulations, and treaties for the Government of Canada and the provincial governments. These acts, regulations, and treaties deal with fundamental matters that touch the lives of most Canadians:

- the requirement to pay taxes and duties;
- the right to receive certain benefits through the tax system; and
- the movement of people and goods across the border.

We do not set the levels of tax or benefits and do not negotiate the laws and treaties that govern rules at the border. These are all established by federal or provincial legislatures. We have the job of working with individuals and corporations to achieve compliance with the laws. This includes ensuring that they receive any entitlements that are due under the law.

In Canada, our revenue and customs administration operates on the principle of voluntary compliance. Voluntary compliance is based on a fundamental belief that most Canadians will abide by the law if they have the information, advice, and other services necessary to help them meet their obligations.

Part of our role is to secure compliance with the laws we administer. We take responsible and fair enforcement action against the few people who choose not to meet their legal requirements, as their lack of compliance may place more financial burden on, and threaten the safety and security of, the majority of Canadian individuals and businesses who do respect their obligations.*

Whether we are providing a service or enforcing the law, fairness must be one of our defining characteristics.

* For more details about our revenue enforcement programs, see our publication called *Compliance: From Vision to Strategy*. Copies are available from your tax services office.

What is fairness?

At Revenue Canada, applying legislation fairly means applying it impartially, justly, and consistently. We believe that fair treatment depends on being open, clear, courteous, responsive, timely, and accessible.

In this discussion paper, we address the topic of fairness in three parts:

Part 1 – We state our commitment to fairness.

Part 2 – We tell you what we have done to achieve fairness in our programs.*

Part 3 – We explain our plans to consult with Canadians to get feedback on critical issues.

We will use the input we get from Canadians to develop a plan to improve the fairness of our customs and tax administration.

* This paper refers to examples of our services. You can get a full listing in our publication called *Index to Revenue Canada Services* which is available from your tax services office.

Part 1 – Our commitment to fairness

We are committed to working with Canadians to strengthen public confidence in the fairness of Canada's customs and revenue administration.

Canadians expect fair treatment. It is at the heart of every interaction with our officers, which may be about a tax assessment, receiving a benefit, crossing the border, or importing goods.

Over the last several years, the needs of our clients have changed, as have laws, regulations, and administrative processes. However, the paramount requirement that Canada's customs and revenue administration be fair has not changed and must not change. For this reason, the fairness of Canada's customs and revenue administration is a priority for Revenue Canada.

We have built our pursuit of fairness around the following five commitments:

1. We will inform you about your rights and obligations, and ensure you have the information to realize them.
2. We will ensure that our administrative processes support a fair outcome.
3. We will respond effectively to your concerns.
4. We will offer you an impartial redress process.
5. We will provide you with relief in extraordinary circumstances.

Part 2 – Fairness in action: A model to build on

Commitment 1

We will inform you about your rights and obligations, and ensure you have the information to realize them.

What do we mean by “your rights and obligations and the information to realize them?”

Canadians have a number of rights stated in the laws, regulations, and treaties that we administer. In addition, the *Canadian Charter of Rights and Freedoms* and other federal legislation describe more general rights that may apply in customs or tax dealings. Some of these rights include:

- being treated fairly through due process;
- protecting your confidential information;
- getting service in the official language of your choice; and
- having access to impartial redress if there is a dispute.

Your obligation is to comply with the laws, regulations, and treaties we administer. These relate mainly to paying taxes, providing information, and declaring goods for import and export.

You, or your authorized representative, must have the information you need to get your entitlements and to honour your obligations to other Canadians. This means if you have a question or want an interpretation, you will have access to the information you need or to one of our officers who will give you an answer.

What are we doing to ensure you know your rights and obligations and are receiving the necessary information?

Knowing your rights and obligations

Your rights and obligations are described in several documents, and depend on whether you are interacting with us as an importer, traveller, taxpayer, registrant, or recipient of benefits through the tax system.

Maintaining the privacy and confidentiality of personal information is a priority. We will not use or share your personal information unless you or the law authorizes us to do so.

Our brochure called *I Declare* outlines the entitlements of Canadians who are returning to Canada with goods.

Importers are advised of their rights and obligations under the *Customs Act*, *Customs Tariff*, and *Special Import Measures Act*, as well as through a series of our directives known as D-Memoranda. We also have brochures to explain the importing process and redress options in plain language.

Travellers arriving in Canada can learn about their rights and obligations in our brochure called *I Declare* which is available at our customs border services offices. It states that if you disagree with the amount of duties and taxes you have paid, you can contact your customs border services office. The brochure also tells you that you have the right to appeal a seizure of your goods or any action we take. Information about the appeal procedure appears on the seizure receipt form.

Goods and services tax/harmonized sales tax (GST/HST) registrants are advised of their rights and obligations in various publications, including the GST/HST Memoranda series.

We issued the *Declaration of Taxpayer Rights* in 1985. You can see it in our income tax guides, at our tax services offices, and on the back cover of this document.

Having the information you need

Since customs and tax legislation needs to be precise to avoid misinterpretation, one of our challenges is to describe the law to you in an understandable way.

Special guides are available for students, landlords, retirees, farmers, fishers, small businesses, child-care providers, and charities.

In addition to our general publications, we have special guides for many client groups.

We widely distribute information and publications through our offices, other federal departments, and postal outlets. We use plain language wherever possible and routinely test our publications before release.

Canadians accessed ACIS about 760,000 times and T.I.P.S. about 2,600,000 times in 1996-1997.

We are providing more of our information electronically on such systems as the Automated Customs Information Service (ACIS) for travellers, importers, and exporters, and the Tax Information Phone Service (T.I.P.S.) which gives information on tax refund dates, registered retirement savings plan limits, and other common topics. Importers can get daily updates about the status of tariff rate quotas on our electronic bulletin board.

Each month, there are more than 600,000 hits on our Internet site.

Our Internet address, <http://www.rc.gc.ca>, provides access to our guides, brochures, forms, and news releases. It also has software available for downloading programs and documents, such as the *Tables on Diskette* computer program for calculating payroll deductions.

At certain times of the year, or if you have special needs, we take extra measures to ensure you can get the information you need. Examples include:

- providing third-language service;
- extending hours of operation during peak periods;
- participating in Canada Information Centres and Industry Canada Info Fairs;
- increasing the number of officers available to help you during the peak tax-filing season; and
- holding small business seminars, customs information days, and tax information sessions.

In 1996-1997, we responded to 1.9 million counter enquiries and 14.9 million telephone enquiries.

Many of you look for information and advice by asking one of our officers over the telephone, in person, or in writing. You are entitled to complete answers to your questions, as well as to courteous and timely responses.

We provide extensive professional and technical training to our officers to enable them to answer your questions. Increasingly, officers are using technological aids to get quick access to the information needed to respond to your questions.

In 1996-1997, we issued more than 2,900 income tax and 6,130 GST/HST rulings and interpretations.

In some cases, we issue advance rulings that help individuals, businesses, importers, and charities to plan their affairs by knowing, in advance, the tax or duty implications of a transaction. We may charge a fee for this service. We publish many rulings of general public interest.

What else can we do to inform you about your rights and obligations and to help you realize them?

- Are you generally aware of your rights and obligations under Canada's customs and tax laws? If not, what more should we do to tell you about them?
- Do we give you information that is clear, complete, and timely?

Commitment 2

We will ensure that our administrative processes support a fair outcome.

What do we mean by “fair administrative processes?”

A fair process is one that is clear, timely, flexible, and equitable and reflects the intent of the law. A fair process must suit the needs of the public and be responsive to evolving circumstances—we need to do our business the way you do yours.

We have established various administrative processes to help you exercise your rights and fulfil your obligations. These include the processes for filing tax returns and for declaring goods you want to bring into Canada.

What are we doing to ensure our processes are fair?

Fairness for taxpayers

We design our income tax guides to take you through each step of the process of preparing an income tax return. They also highlight key changes from the previous year. After we process your tax return, we send you a *Notice of Assessment* which describes any changes we may have made to your return. We also provide a contact number for questions you may have.

We support a network of volunteers, including many of our retirees, who help people with special needs to complete their income tax returns.

You can use EFILE to electronically file individual income tax returns. EFILE has reduced the average processing time for a refund from 21 to 11 days. This time can shorten to 8 days if you choose to have your refund deposited into an account at a financial institution. Similar time savings are being realized through the electronic filing and remitting of GST/HST. We anticipate that corporations will have the option to use EFILE in 1998.

In 1996-1997, more than 15,000 volunteers helped 268,000 Canadians complete their income tax returns and get their entitlements.

In 1997, about 4.8 million Canadians filed their income tax returns electronically.

Over the last few years we have introduced ways to make it easier for Canadians to meet their reporting requirements. For example, we have produced specialized tax returns for people with specific needs such as:

- senior citizens
- farmers
- fishers
- benefit recipients

Fairness for travellers

We have simplified the customs declaration form for air travellers, and automobile travellers can make verbal declarations.

Travellers have a preliminary interview with a customs officer to determine if they can be admitted to Canada and to get a declaration of any goods they have. To verify this declaration, travellers may be referred for a secondary examination, which generally involves a brief examination of the traveller's baggage.

After a short delay, travellers are usually free to go. There is no user fee for travellers entering Canada. Of course, duties, taxes, and penalties may apply to goods.

CANPASS is a family of pre-registration programs designed to ease the entry into Canada of low-risk travellers using transportation such as:

- private passenger vehicles
- private boats
- private aircraft

CANPASS is in place at several land border crossings, and we are operating it as a pilot program at the Vancouver International Airport.

Fairness for importers

We completed a comprehensive review of our importing control process in 1994. As a result, we changed the process to ease the use of electronic commerce, streamline reporting and release, and allow offsetting of debits and credits.

A customs goal is to serve travellers within 10 minutes, Monday to Thursday; and 20 minutes, Friday, Saturday, Sunday, and holidays.

At the end of 1997, there were about 75,000 active CANPASS participants.

The industries affected by our improved importing control process expect to save about \$180 million in costs over the next several years.

In 1996, 888 taxpayers paid \$26.8 million in taxes and interest under the Voluntary Disclosure Program.

Responsible enforcement

Responsible enforcement is a critical element in providing fair administrative processes. An example of our enforcement approach is the Voluntary Disclosure Program. It is designed to encourage individuals who have not fully disclosed all their tax information to us to come forward and correct their affairs without facing prosecution or penalties. A similar customs program allows importers who are about to be audited to voluntarily amend past import declarations without penalty.

We know that some people may not come forward because they are afraid they will have to pay an amount owing right away. Therefore, we consider individual circumstances and will negotiate reasonable repayment arrangements with them.

Examples of responsible enforcement include:

Individuals – We use state-of-the-art software to identify individual tax returns with the greatest risk of non-compliance.

Businesses and Importers – During a business tax audit or importer audit process, we explain the process and findings, and we encourage feedback and dialogue. In addition, we conduct quality reviews, which include a review of audited files and discussions with tax and customs professionals.

Large corporations – Recently, we introduced several initiatives to enhance our compliance relationship with the large corporations we audit. For example, audit protocols involve working with corporations in developing a framework to establish guidelines for the relationship and the audit process. Real-time audits involve auditing issues before a large corporation files its return, to provide certainty on key issues. Concurrent audits involve auditing in relation to more than one of the taxes we administer, to reduce the compliance burden and costs for both parties.

Payment Options – We have a new pamphlet that explains the collections process, its legal implications, and tells you about options available such as negotiating payment schedules to suit your needs.

Underground economy initiative

We have taken initiatives to address underground economic activity to keep the tax system fair. If revenue is lost through underground economic activity, taxes get higher and essential government programs that provide health and social services are put at risk. Our initiatives help ensure that individuals and businesses pay their fair share of tax. The initiatives also help ensure that businesses which operate legitimately do not have unfair competition from those participating in the underground economy.

What more can we do to ensure our administrative processes are clear and fair?

- Are our forms, guides, and other publications clear enough to let you exercise your rights and fulfil your obligations?
- Do you receive enough explanation from us about our decisions?
- Do you feel you are treated fairly in your transactions with us?
- Do our administrative processes reflect the realities of your business? If not, what should we change?
- Is your cost to comply with the legislation we administer reasonable?

Commitment 3

We will respond effectively to your concerns.

What does “effectively responding to concerns” mean?

Given the millions of transactions we have with Canadians, there will be times when individuals or businesses are not satisfied with the treatment they receive. When this happens, and when a concern is expressed to us, we need to respond quickly and effectively.

An effective response is one that addresses your concern fully and in a timely way. An effective response is not simply resolving each problem as it happens. It also means learning from our experiences so we can improve the overall system to help others.

What are we doing to ensure your concerns are dealt with effectively?

If you do not understand a decision we make, you can ask for an explanation over the telephone, in person, or in writing.

You usually have three years to ask for an adjustment to an income tax matter.

You have up to four years to ask for an adjustment to a customs matter.

If you need to have us adjust your tax return because you have new information, or if you are an importer or a traveller and need to adjust the origin, value, or tariff classification of a good which affects the amount owing, give us the details to consider.

If you feel that we have not handled a matter to your satisfaction, you can contact a Problem Resolution Program officer at your tax services office. The officer will respond to your concerns by researching and resolving any processing-related problems. The officer will deal directly with you and serve as an intermediary with other Revenue Canada staff to help you resolve the matter.

Our forms and posters and the Government of Canada pages of your telephone book indicate where you can contact us.

If you feel inappropriately treated in any of your dealings with us, you can speak to an immediate supervisor or to a senior manager.

We encourage you to get help from our officers. However, you can also write to the Minister of National Revenue who has a team in our department to research and respond to concerns.

In 1996-1997, 92% of travellers surveyed entering Canada said they were reasonably to very satisfied with the service they received.

We gather statistics on all our programs that are designed to address client concerns. Not only do we measure volumes, but we look for trends and emerging issues to identify opportunities to improve our processes. This analysis may, for example, lead us to increase employee training in an area or to clarify a publication.

Consulting with Canadians

We believe that consulting with Canadians is essential to developing fair processes. Our experience has been that feedback we get through surveys, focus group sessions, and meetings lets us hear first-hand what aspects of our processes are working well and what needs improvement.

We consult with Canadians using many approaches. For example:

- Advisory committees involving seniors, persons with disabilities, large and small businesses, and customs brokers, among others, have led to improvements such as tailored and simplified tax guides and enhancements to policies governing the importing of goods.
- Discussions and focus group tests involving the business sector have led to the introduction of customs reforms which are saving our customs clients tens of millions of dollars in compliance costs.
- Ongoing client surveys have led to continuous improvements to customs and revenue operations.
- Service rating cards have highlighted a wide range of potential reforms and give clients an easy way to comment on the service they receive.

The input we receive from Canadians to improve the fairness of Canada's customs and revenue administration occasionally requires a change in the law. We regularly give this information to other departments for consideration in developing proposed legislative amendments.

What more can we do to effectively respond to your concerns?

- Are you aware of the problem resolution and complaint services available to respond to your concerns?
- Do you feel you have enough access to such services?
- When you call with a problem, are our officers helpful, respectful, and efficient?

Commitment 4

We will offer you an impartial redress process.

What does “impartial redress” mean?

There may be times when we cannot reach an agreement with you on a tax, duty, or penalty matter. For example, you and departmental officers may see the law differently or disagree on the facts.

In such situations, you should have access to impartial redress by professional officers who were not involved in the original decision. In addition, this redress should be accessible, affordable, open, and timely.

What are we doing to ensure our redress process is impartial?

More than 21.3 million income tax returns were filed in 1996-1997. About 52,000 Canadians asked for an independent review. Of these reviews, about 50% resulted in changes in favour of the client.

We have an Appeals Branch headed by an assistant deputy minister. This branch deals with disputes that develop about customs matters, assessments of both income tax and goods and services tax/harmonized sales tax, as well as Canada Pension Plan and Employment Insurance payments. The Appeals Branch reports independently to the Deputy Minister of National Revenue.

The role of the departmental officer who reviews your case is to carry out a complete, professional, and impartial review. This officer recommends a decision by:

- interpreting the laws and following departmental policies,
- considering your point of view; and, in some cases,
- asking for a technical opinion from departmental experts or seeking legal advice from the Department of Justice Canada.

The people who review your case will not have been involved in the original assessment of your tax, duty, or penalty. An independent manager makes the decision. Matters of special significance or complexity may involve review by our most senior officials.

In 1996-1997, 8% of income tax reviews and 12% of excise/GST reviews went to the courts.

You can start a review of your income tax assessment, CPP/EI determination, customs seizure, or ascertained forfeiture by writing to us with your facts and reasons. For a GST/HST review, and for other customs matters, we ask you to complete a form in order to expedite your case.

There is a protocol available to the public to define the separate roles of the officer who reviews your file and the auditor who assessed your tax matters.

Our goal is to write to you no later than 30 days after we receive your request for a review of a customs seizure or ascertained forfeiture to provide the reasons for the seizure or demand for payment.

If you are not satisfied with the departmental review, you can appeal to the appropriate court or, for certain customs matters, to the Canadian International Trade Tribunal. In exceptional circumstances, you can appeal to the Supreme Court of Canada.

Having your case reviewed

Ready access to information about the review process contributes to fairness by enabling you to exercise your right to impartial redress.

Information on how to apply for a review is included in our publications as well as in our assessment and reassessment notices. All of our information officers can advise you how to apply for a review.

Fairness is best served when you can afford the cost to take part in a review. There is no charge to ask us for a review. The non-adversarial nature of the process enables many Canadians to represent themselves and avoid the cost of seeking the help of a lawyer or an accountant.

An open review process is fair since it lets you know what is going on. When you ask for a review, you will receive an explanation of the process and can decide what action is best for you. You can discuss your case with an appeals officer and you have the right to review documents related to your case.

For tax matters, you can participate in discussions between the appeals officer and the person who audited your file and you can receive a written record of meetings between the appeals officer and any auditors responsible.

For a customs matter, you can ask for a review of the assessment and a verbal or written explanation of the legislation that applies. You can determine if the facts of your case are understood clearly and, if not, give us more information about the product and transaction. You can also present arguments supporting your case when you file a dispute notice with us.

A timely decision contributes to confidence in the fairness of the system. The length of time it takes to give you an impartial review may vary depending on the complexity of your case or if we need more information.

Improving the appeals process

We recently surveyed Canadians who had gone through our tax appeals process. They expressed some concerns about the perception of the fairness and timeliness of the process. Tax professionals questioned the degree of independence of the system and raised concerns that auditors could potentially influence the recommendations of an appeals officer.

This led us to improve the impartiality, timeliness, and fairness of the process. We added steps to monitor the process and to consult Canadians about improving it. These improvements are referred to as the Appeals Renewal Initiative.

Some improvements we have underway or planned include:

- a system of fast-tracking straightforward objections to provide a quicker yet still complete review;
- an Appeals Advisory Committee of 20 Canadians representing the public interest to consult on changes to preserve and increase the impartiality of the review process;
- an Internet home page (<http://www.rc.gc.ca>) to provide information about how to ask for a formal review; and
- periodic national surveys of a representative sample of our clients to get their views about the impartiality, accessibility, openness, and timeliness of the review process.

In addition to the above measures that directly affect our clients, we have also given our appeals officers easier access to legal advice to improve the quality and timeliness of reviews.

Recently implemented legislation to simplify the tariff process does the following:

- allows for self-adjustments to speed up corrections;
- extends to four years the time for filing corrections and disputes; and
- reduces the administrative levels a dispute has to pass before being finalized.

What more can we do to offer you an impartial redress process?

Although the recent improvements highlighted above will result in a better redress function, there may be more ways to improve the system.

- Are we providing you with enough information about our redress processes?
- Are you satisfied that we have given you an impartial, effective system of redress?
- Is there anything more we could be doing to improve the impartiality, accessibility, affordability, openness, or timeliness of the system?
- Is there value in involving outside mediators or facilitators to help resolve problems? If so, what types of problems would lend themselves to this approach?

Commitment 5

We will provide you with relief in extraordinary circumstances.

What does “providing relief” mean?

Beyond everything else that can be done, there may be extraordinary circumstances that call for special consideration. A responsive customs and revenue administration must have the flexibility, supported by the law, to provide relief when these circumstances arise. Relief can take the form of forgiving or remitting all or part of an assessment, or of extending a deadline.

What are we doing to provide relief in extraordinary circumstances?

The fairness provisions

Between 1991 and 1993, new laws referred to as the fairness provisions were introduced for income tax, goods and services tax, and customs matters. Before these laws, we had little freedom to provide relief, even when clients found themselves in serious circumstances that prevented them from meeting their obligations to us.

Now we can use some discretion to:

- cancel or waive penalties and interest;
- extend the time limit to file an objection;
- refund amounts beyond the usual reassessment period; and
- accept requests to late file, amend, or revoke certain elections.

Examples of what we consider to be extraordinary circumstances are:

- flood or fire;
- postal disruption;
- serious illness or accident;
- serious emotional distress resulting from the death of a close family member.

During the 1997 Manitoba flood, the Minister of National Revenue announced that the tax-filing deadline for flood victims had been extended. Procedures were established to ensure certain penalties and interest charges were not assessed. Also, processes were established to ensure the continued payment of social benefits even though tax returns were not filed. Similar relief was provided following the Saguenay flood in 1996 and the ice storm in Eastern Canada in 1998.

You can ask for such extensions or relief under the fairness provisions when, through no fault of your own (that is, in extraordinary circumstances), you cannot meet your filing or payment obligations.

You can also ask for relief under the fairness provisions when you cannot meet your obligations because information we gave you was delayed or incorrect.

We have publications to explain the fairness provisions in detail. These publications are available from your tax services office.

Remission orders

If you have exhausted all other forms of relief, you can ask for a remission, which is available in very special cases. Remissions of taxes, penalties, duties, and interest owing can be granted in cases of extreme hardship or unusual circumstances.

The following examples describe the unusual types of situations that might warrant a remission:

- An individual took steps to ensure a car could be imported within the time frames allowed. Just before the car was to be imported, it burned in storage. When a replacement car was imported, it did not legally meet the time frames that would reduce the duties payable. However, through a remission order, relief was granted.
- An illiterate person with limited financial resources was not aware until age 69 of an entitlement, at age 65, to a pension from a former employer. After enquiring about it, a lump sum payment was received for all benefits payable from the date this person turned 65. The lump sum payment resulted in a large tax bill when the return was filed. If the payments had been received regularly over the five years, the amounts would not have been high enough to result in taxes owing in any of these years. Remission of the tax on the lump sum payment was granted.

You may believe your circumstances are exceptional enough that you should be considered for this form of relief. If so, please speak to one of our officers who will give you advice. You can also write to the Minister of National Revenue to apply for a remission.

A remission order, if granted, is issued on the recommendation of the Minister. The order is approved by a committee of Cabinet through an order-in-council. Remission orders are published in the *Canada Gazette*.

What more can we do?

- Are you aware that relief is available in extraordinary circumstances?
- Do you feel that the current relief measures are sufficient?
- If not, what more could we do to provide relief in exceptional circumstances?

Part 3 – Working together to strengthen fairness

Over the coming months, we will consult with Canadians across the country to get their views about the fairness of the current system and to ask for their suggestions on improvements.

This paper will be the subject of discussion at the Appeals Advisory Committee, as well as other existing national and regional advisory groups. Such groups include those set up for small and large businesses, persons with disabilities, and senior citizens. The topic will be on the agenda for regular meetings held with business groups and professional organizations. We will also ask for input from provincial and territorial governments.

To reach Canadians who are not part of these committees nor members of such groups and organizations, focus groups and polling will be conducted using expert, outside organizations to ensure the objectivity and validity of the results. We will also consult with research organizations to determine how they might contribute to this undertaking.

Traditionally, some of the best ideas to improve our performance have come from our work force of about 40,000 employees who work in more than 800 locations across the country. Sessions will be organized with a cross section of employees to get their ideas on ways to improve the fairness of the system.

We participate in several international organizations set up to improve revenue and customs administration. We will tap into these organizations, as well as contact other leading revenue and customs administrations in the world to learn their fairness practices and to consider if any are appropriate for Canada.

We will invite federal and provincial elected representatives to give us comments they have received from their constituents about revenue and customs matters.

Finally, as the Minister of National Revenue stated in the foreword to this discussion paper, we welcome your comments. You can reach us at:

Revenue Canada
Room 114
Connaught Building
555 MacKenzie Avenue
Ottawa ON K1A 0L5

Fax: (613) 954-8830



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**YOU ARE ENTITLED TO A
FAIR HEARING AND
COURTEOUS TREATMENT.
FAIR HANDLING OF A
COMPLAINT IS ONE OF
YOUR FUNDAMENTAL
RIGHTS. ONE OF OUR
OBLIGATIONS IS TO HELP
YOU EXERCISE YOUR
RIGHTS.**

**YOU ARE ENTITLED TO
MANY OTHER RIGHTS
UNDER THE LAWS OF
CANADA.**

**YOU ARE ENTITLED TO
KNOW YOUR RIGHTS AND
TO INSIST THAT THEY
BE RESPECTED.**

DECLARATION OF TAXPAYER RIGHTS

IN YOUR DEALINGS WITH REVENUE CANADA ON INCOME TAX MATTERS, YOU HAVE IMPORTANT RIGHTS

Information

You are entitled to complete and accurate information about the *Income Tax Act*, the entitlements it allows you, and the obligations it imposes on you.

Courtesy and consideration

You are entitled to courteous and considerate treatment in all your dealings with us, whether we are requesting information or arranging for an interview or an audit.

Impartiality

You are entitled to demand impartial application of the law. It is our job to collect only the correct amount of tax, no more and no less.

Presumption of honesty

You are entitled to be presumed honest unless there is evidence to the contrary.

Privacy and confidentiality

You are entitled to expect that we will use the personal and financial information you provide us only for purposes the law allows.

Disputed amounts

You are entitled to withhold disputed amounts, to the extent the law allows, until our officers or a court decides on your objection. If you appeal to a higher court, you can put up security instead of paying the disputed amounts.

Impartial review

You are entitled to object to an assessment if you believe you have been treated unfairly. You must exercise this right within a specific period. Once you have filed a notice of objection, we will conduct an impartial review of your file. If the matter is not resolved to your satisfaction, you can appeal to the courts.

Bilingual service

You are entitled to service in the official language of your choice.

YOU HAVE THE RIGHT TO EVERY BENEFIT THE LAW ALLOWS

You are entitled to arrange your affairs to pay the least amount of tax the law allows. We are committed to applying the tax laws in a consistent and fair manner. We will be firm with those who are guilty of tax evasion.

Canada



